

CONDENSED BALANCE SHEET
GEO. A. HORMEL & CO.

(DELAWARE CORPORATION)

AUSTIN, MINN.

October 27, 1928

EXAMINED
FROM
BAKER LIBRARY

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ASSETS

CURRENT

Cash on Hand, on Deposit, and in Transit	\$ 238,483.51
Customers' Accounts Receivable.....	1,329,995.97
Merchandise Inventory including Con- signments and in Transit.....	2,477,629.64
	\$4,046,109.12

OTHER ASSETS

Investments in Affiliated Companies...	\$ 153,122.11
Other Securities	165,050.00
Sundry Real Estate.....	178,938.53
Sundry Notes, Accounts, etc.....	48,461.39
	546,172.03

PERMANENT (At Cost Values)

Land	\$ 124,071.17
Buildings, Equipment, etc.	\$3,566,700.83
Less: Allowance for De- preciation	684,262.24
	2,882,444.50
	3,006,515.76

DEFERRED

Prepaid Expenses	\$ 43,020.58
Supplies Inventory	206,622.83
	250,243.41

\$7,849,040.32

LIABILITIES

CURRENT

Notes Payable to Bank for money borrowed	\$ 350,000.00
Accounts Payable	220,264.83
Accrued Interest, Local Taxes, etc....	106,654.20
Accrued Dividends on Preferred Stock.	103,684.00
Provision for Estimated Federal In- come Tax	185,000.00
	\$ 965,603.00

RESERVES

For Compensation Insurance	\$ 50,081.80
For Branch House Managers Bonus....	15,131.60
	65,213.40

CAPITAL

PREFERRED (Authorized \$5,000,000.00)

6% Class A Cumulative— Outstanding	\$1,455,400.00
7% Class B Cumulative— Outstanding	106,800.00
	\$1,562,200.00

COMMON (Authorized 500,000 shares no par value)

Outstanding 429,244 shares	3,082,830.08
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SURPLUS	2,173,193.75
	6,818,223.83

\$7,849,040.32

CONTINGENT: As reported on Customers' Drafts Discounted.....\$198,301.21

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WE HEREBY CERTIFY that we have examined the books of account pertaining to the Assets and Liabilities of GEO. A. HORMEL & COMPANY, AUSTIN MINNESOTA, at the close of business October 27, 1928 and that, in our opinion, Subject to the accuracy of inventory quantities established by the Management and to possible contingency on final determination of the Company's liability for taxes, the above Balance Sheet correctly reflects the financial position of the Company at the date named. The foregoing statement is after giving effect to transfer of Assets and Liabilities of the GEO. A. HORMEL & COMPANY of Minnesota to the GEO. A. HORMEL & COMPANY of Delaware done as of the close of business October 27, 1928.

December 6, 1928

Signed, ERNST & ERNST



GEO. A. **HORMEL** & CO.

(DELAWARE)

AUSTIN, MINN.

Nov. 20, 1928.

SUMMARY OF REPORT MADE BY VICE PRESIDENT, JAY
C. HORMEL TO THE STOCKHOLDERS AT THE REGULAR
ANNUAL MEETING NOVEMBER 20, 1928.

INCOME ACCOUNT

GEO. A. HORMEL & CO., AUSTIN, MINN.

For the year ended October 27, 1928

GROSS SALES.....		\$36,598,508.27
Cost of Sales, Selling, Administrative and Other Ex- pense (Including provision for local taxes to be paid in 1929—\$99,000)		34,877,454.69
Net Profit Before Federal Taxes, Depreciation and Interest Paid.....		1,721,053.68
Depreciation	\$175,009.20	
Interest Paid	88,817.46	
Federal Income Taxes	185,000.00	448,826.66
Net Earnings		1,272,227.02
Dividend on Preferred Stock.....		103,684.00
NET TO SURPLUS applicable to 429,244 shares of common stock outstanding.....		1,168,543.02
Net per share of common stock.....		2.722

The past year has been our biggest year as regards number of hogs killed and tonnage handled. The hogs killed numbered 1,051,326. The total amount of product sold was 226,048,773 lbs., and total sales were \$36,598,508.27.

In spite of the severe decline in hog prices and hog products during the last month in the year, the Company made a very creditable showing. The inventory figures used in making up our statement are based on the lower of cost or market. All slow or doubtful accounts were charged off. Adequate depreciation and obsolescence figures have been set up and the statement is a conservative figure on the Company's position.

Recent improvements in plant facilities, and others that are under construction will place the Company in position to take advantage of operating economies.

The personnel of the plant is in a very high state, and it is felt that the prospects for the coming year are excellent.

The Company has no funded debt and ample working capital, this item having increased in the past year \$830,980.37.

The ratio of current assets to current liabilities was 4.19 to 1.

The net profit per dollar of net sales was 3.65%.

